GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:5203
ANSWERED ON:27.04.2000
CBI ENQUIRY INTO CARIBJET WET LEASE DEAL
PRABHUNATH SINGH;SHEESH RAM SINGH RAVI;SUBODH ROY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether attention of the Government has been drawn to the news-item entitled `CBI to probe how A-I lost Rs.103 cr.i n deal` appearing in Indian Express dated February 12, 2000;

(b) if so, the details thereof;

(c) whether the Government identified the officers that are responsible for the irregularities committed by Air India in the Caribjet wet-lease deal signed in 1995;

(d) if so, the details thereof; and

(e) the action proposed to be taken against them?

Answer

THE MINISTER OF CIVIL AVIATION

(SHRI SHARAD YADAV)
(a): Yes, Sir.

(b),(c),(d) & (e): At the request of the Ministry of Civil Aviation, the CBI has registered a Preliminary Enquiry in this regard against the officials of Air India associated with the Wet-lease deal including the then Managing Directors of Air India andthe Managing Director of M/s Caribjet. The main allegations being enquired into are:-

- Terms offered to M/s Caribjet by Air India were more favourable than those offered in 1994. - Non-inclusion of termination clause. - Whether the termination was warranted. - Circumstances leading to termination. - Whether adequate efforts were made to protect th commercial interests o f A i r India, while terminating th agreement. - Whether adequate efforts were made to protect commercia interests of Air India in the arbitration proceedings. -Any other related issue that may crop up during investigations.

It may not be possible to lay down a specific time frame for completion of investigations at this stage.